



Robert C. Ryan
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Report of Independent Accountant

To the Mayor and City Commissioners
City of Taylorsville, Kentucky

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Taylorsville, Kentucky, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Taylorsville, Kentucky. My responsibility is to express opinions on these financial statements based upon my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities and the each major fund of the City of Taylorsville, Kentucky, as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 4, 2012 on my consideration of the City of Taylorsville, Kentucky's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis, budgetary comparison information and information about infrastructure assets reported using the modified approach on pages 3 through 9, pages 41 through 44 and pages 45 through 52, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consist principally of inquires of management

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regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Taylorsville's basic financial statements. The accompanying introductory section and schedules of revenues and expenditures in general governmental activities, water and sewer activities and municipal road aid fund activities, listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Taylorsville, Kentucky. These have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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